THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a) to (c) During the current financial year beginning 1.4.91, two cases of excess profits with reference to Cost Accounting Records Rules, have been referred by this Department to the concerned Administrative Ministries. No such case was referred during the last three financial years ending March, 1991. The MRTP Commission has not investigated any case of excess profit during the said period under the provisions of the MRTP Act, 1969.

(d) to (f) During the last decade, the MRTP Commission has instituted and disposed a large number of enquiries to protect the consumers' interests. Recently, an Ordinance amending the MRTP Act, 1969 has been promulgated on 27.9.91 which *inter-alia* seeks to enlarge the scope of inquiry by the MRTP Commission with a view to taking effective steps to curb and regulate Monopolistic, Restrictive and Unfair Trade Practices which are prejudicial to public interest and also to provide for deterrent punishment for contravention of the Orders passed by the MRTP Commission.

**Timely submission of Cost Audit Report**

2756. SHRI MOHD. KHALEELUR RAHMAN:
SHRIMATI SATYA BAHIN:

Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to refer to the answer to Starred Question 202 given in the Rajya Sabha on 10th September, 1991 and state:

(a) whether it is a fact that penalties are imposed if Cost Audit Reports are submitted after considerable delay beyond 120 days;

(b) if so, the details thereof;

(c) what are the details of cases of delayed submission of reports which came to the notice of his Ministry during the last three years, year-wise and what action was taken in each case;

(d) whether his Ministry has evolved any arrangement to verify that cost records are maintained by the producers;

(e) what are the penalties for non-maintenance of records; and

(f) what steps have been taken to strengthen these provisions in the impending amendments to the Companies Act, 1956?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): (a) and (b) Paragraphs 4 and 5 of the Cost Audit (Report) Rules, 1968 notified under Section 642 of the Companies Act, 1956 prescribe a time limit of 120 days for submission by the Cost Auditor of the Cost Audit Report and time limit of 90 days within which cost records are to be submitted to the Cost Auditor by the company. If there is a default by the Cost Auditor or the company, a penalty which may extend to Rs. 500/- may be imposed. In addition penalties have also been prescribed under Section 233B(11) of the Companies Act, 1956 which *inter-alia* include penalty for delayed submission of records/report.

(c) Details of the cases of delayed submission of Cost Audit Reports during the last three years are given below:—

| | |
|---|---|
| 1988-89 | 540 |
| 1989-90 | 584 |
| 1990-91 | 429 |

Wherever there is delay in submission of the Report, explanation of the company/Cost Auditor is obtained and in case the same is not satisfactory a reference is made to concerned Registrar for initiating penal action.

(d) Section 209 (1)(d) requires companies to keep at their registered offices proper, particulars relating to utilization of material or such other item of cost as may be prescribed if such class of companies is required by Central Government to include such particulars in the books of account. Section 209 A of the Companies Act empowers the Registrar or such officer of Government, as may be authorised by the Central Government in this behalf, to inspect books of accounts including Cost Records maintained by a company during business hours.

(e) Non-compliance with the provisions of Section 209 of the Companies Act entails imprisonment for a term which may extend to six months or with fine which may extend to one thousand rupees or with both.

(f) Proposals to strengthen these provisions are under consideration.

**Investigations in Respect of Irregularities Committed by M/s. Progressive Construction Limited**

2757. DR. BAPU KALDATE: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether some Members of Parliament have submitted a representation to the Chairman, Company Law Board on 7th August, 1991 as also to the Minister for Company Affairs, demanding investigation under the provision of the Company Act in respect of irregularities, misuse of power and fraud committed by the Progressive Constructions Limited and its group of concerns;

(b) if so, whether investigations into the affairs of the concern has been initiated;

(c) if so, the authority to whom investigations have been entrusted stating the terms of reference; and

(d) if answer to part (b) be in the negative what are the reasons for delay and what is the present position?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI K. VIJAYA BHASKARA REDDY): (a) Yes, Sir.

(b) and (c) An Inspection has been ordered under Section 209A of the Companies Act and this will be conducted by the Inspection Wing of the Regional Director, Madras. No terms of reference are spelt out for such Inspection.

(d) Does not arise.

**Unfair Trade Practices compiaint received by MRTPC**

@2757A. SHRI VITHALBHAI M. PATEL: Will the MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that MRTP Commission has received a number of complaints about unfair trade practices during the last three years;

(b) if so, the number of complaints received during that period;

(c) the companies against whom the complaints have been received by the MRTP Commission; and

(d) the number of complaints found genuine and what is the decision of the Commission thereon?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARA-MANGALAM: (a) to (d) The information is being collected and will be laid on the Table of the House.

@Previously unstarred Question 3205, transferred from the 19th December, 1991.